

State of California

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Legislative Change No.

05-13

Bill Number: AB 241

Author: Harman

Chapter Number: 05-286

Laws Affecting Franchise Tax Board: Corporations Code Sections 1107.5, 6020.5, 8020.5, 12550.5, 15678.10, 16915.5, and 17554.5.

Date Filed with the Secretary of the State: September 22, 2005

SUBJECT: Streamline Certain Business Entity Mergers

Assembly Bill 241 (Harman), as enacted on September 22, 2005, made the following changes to California law:

Section 1107.5 of the Corporations Code is amended. Sections 6020.5, 8020.5, 12550.5, 15678.10, 16915.5, and 17554.5 are added to the Corporations Code.

This act would permit the Secretary of State to file an agreement of merger of two or more business entities without the receipt of the certificate of satisfaction from Franchise Tax Board if certain requirements are met. The surviving entity is deemed to have assumed the tax obligations of the disappearing entity.

This act is effective January 1, 2006, and would apply to certificates of mergers filed by the Secretary of State after that date.

This act will not require any reports by the department to the Legislature.

Bureau Director

Jana Howard for Brian Putler

Date

09/29/05